CATERPILLAR®

Caterolilar Inc.

100 AE Adores Street Pacria, Minos 61629

September 3, 2003

Dr. Farhad Azımzadehi California Regional Water Quality Control Board 1515 Clay Street Oakland, California 94612.

Re: Caterpillar Inc.'s Financial Commitment to the Proposed Ducks Unlimited SEP

Dear Dr. Azımzadeh:

In response to your telephone inquiry of earlier today I would like to reaffirm that Caterpullar Inc. is committed to working with Ducks Unlimited in funding the proposed Tolay Creek Biotechnical Levee Enhancement Supplemental Environmental Project (SEP) in the amount of \$6,000. Within 30 days of notification from the Regional Water Quality Control Board that the Caterpillar/Ducks Unlimited Tolay Creek Biotechnical Levee Enhancement SEP proposal has been approved Caterpillar will issue a check to Ducks Unlimited in the amount of \$6,000. As proof of this payment, Caterpillar will submit a copy of that check to your attention. A copy of the completed Waiver of Hearing form, which was originally submitted to the Regional Water Quality Control Board on August 21, 2003, is also attached.

In addition, I spoke with Greg Green of Ducks Unlimited earlier today regarding the timing of a final report for the Tolay Creek Biotechnical Lovee Enhancement project, Mr. Green informed me that Ducks Unlimited would submit a final project report to the Regional Water Quality Control Board's attention on or before December 31, 2003.

I may be contacted at (309) 675-1658 if you have any questions or require additional information regarding this matter.

Sincerely,

Jason Keeling

Sr. Environmental Engineer Corp. Environmental Affairs

Caterpillar Inc.



DUCKS UNLIMITED, INC. WESTERN REGRINAL OFFICE 9074 Gold Cand Dark Ringly Contact CA 95670-6116 (915) 851-2000

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Jason Keeling Environmental Affairs Group

Caterpillar, Inc. 100 N.E. Adams Street Peoria 1L 61629-7310

RE: Supplemental Environmental Project (SEP) Consideration in Tolay Creek, California

Mr Keeling,

Ducks Unlimited, Inc., in receipt of your request for activities eligible for SEP program participation, proposes the Tolay Creek Biotechnical Enhancement Project for your consideration. Located near the northwest shore of San Pablo Bay, the Tolay Creek Biotechnical Levec Enhancement Project involves shoreline contouring and native vegetation establishment to enhance water quality and prevent erosion.

Totay Creek is a tidal marsh located within the San Pablo Bay National Wildlife Refuge and the Napa-Sonoma Marshes Wildlife Area within the Regional Water Quality Board's Region 2, and is visible and accessible to the public from California Highway 37 (see attoched map). Previously drained for agricultural use for more than hundred years, Tolay Creek was restored to a tidal marsh in the late 1990s by a team of partners that included Ducks Unlimited. California Department of Fish and Game, and U.S. Fish and Wildlife Service. As a follow-up to the previous restoration effort, action will be taken to stabilize the tidal side of more than 1,000 feet of perimeter levees that are currently experiencing proston due to wind-generated waves.

SEP funds would be combined with additional funds to contract the use of heavy equipment to properly contour the existing shoreline to a gradual slope. In addition, geotextile fabric will be installed to contain sediments and assist in the establishment of native regention. The fabric, consisting of plastic mesh-reinforced coconut fibers, will be keyed into the core of the levee to prevent being dislodged via wave-generated forces. The incorporation of fabric will stabilize the topsoil to improve growing conditions for marsh plants. A seed mixture (comprising native grasses and shrubs) will be planted underneath the fabric, allowing the plants to germinate in a stable environment, and then grow up through the fabric. The roots of the plants will further stabilize the levee, thus reducing soil crosson.

The establishment of native vegetation will enhance transitional upland habitat for small mammals (including the endangered salt marsh harvest mouse) and avian species, as well as provide crosson protection for critical perimeter levees. The combination of reduced

Mr. Jason Keeling Catarpillar, Inc. September 2, 2003 Page 7

cruston and vegetation establishment will improve water quality within the Tolay Creek, which is linked to the San Francisco Bay Watershed. A monitoring protocol for this project will be established to determine the success of this innovative restoration method.

The Tolay Creek Biotechnical Levee Enhancement Project is one of a dozen projects in the Napa-Sonoma Maishes WA / San Pable Bay NWR Complex. Currently, there is over \$1 million dollars in funding for these projects. Funding partners include State Coastal Conservancy. North American Wetlands Conservation Act, California Department of Fish and Game, and Ducks Unlimited.

The State Coastal Conservancy is the primary funding partner for the Tolay Creek Bimochnical Levee finhancement Project with a \$24,000 contribution from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund. In addition to shoreline enhancement, the State Coastal Conservancy is contributing to the creetion of an interpretive sign at the site.

In accordance with CEQA and NEPA regulations, the appropriate environmental chetaments and permits applications have been completed and submitted to the US Anny Corps of Engineers and the California Regional Water Quality Board. This project will be completed prior to December 31, 2003. As per the project funding agreement with the State Coastal Conservancy, Ducks Unlimited must also submit a final report. This report will summanze the project's completed tasks and hudget expenditures, as well as provide the Conservancy with "As-Built" drawings. A copy of this report could also be provided to you as well

Although it is undetermined at this time, SEP funds provided to this project would most likely be used for contracting services such as earthwork and shoreline contouring. This would allow for more of the previously mentioned Bond funds to be used for purchasing additional planting material, which would increase the rate of vegetation establishment along the levees.

As the project manager for this planned work, any questions or comments can be directed to me via telephone (916 / 852 - 2000) or email (<u>agreen@ducks.org</u>).

Respectfully.

Greg Green

Regional Biologist

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Jay Truty - Catcapitlar, Inc., Logal Department Farhad Azimzadeh Regional Water Quality Board



